

U.S. DEPARTMENT OF ENERGY
PUBLIC SCOPING MEETING
SITE SELECTION FOR STRATEGIC PETROLEUM RESERVE EXPANSION
CLAIBORNE COUNTY MULTIPURPOSE BUILDING
WEDNESDAY, DECEMBER 7, 2005
7:00 P.M.

REPORTED BY: ROSIE KAISER HAILS, CVR
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ORGANIZERS PRESENT:

MR. DAVID JOHNSON
DEPARTMENT OF ENERGY
OFFICE OF PETROLEUM RESERVES
DIRECTOR OF PLANNING AND ENGINEERING OFFICE

MR. STEPHEN D. WYNGARDEN
ICF CONSULTING
SENIOR VICE PRESIDENT

MS. HOVA WOODS
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P R O C E E D I N G S

MR. DAVID JOHNSON

DEPARTMENT OF ENERGY

OFFICE OF PETROLEUM RESERVES

DIRECTOR OF PLANNING AND ENGINEERING OFFICE

Mr. Johnson gave a 20-minute presentation and then opened the floor to questions and comments from the audience.

COMMENTS FROM THE AUDIENCE

Mr. Vernon Phillips

Anabasis, LLC

Y'all, please excuse me. I've got a sore throat tonight. I hope I don't cough too much.

Ladies and gentlemen, my name is Vernon Philips, and I come tonight representing Anabasis, LLC, and our support of the U.S. Department of Energy, the State of Mississippi, and the county and citizens of Claiborne County in the selection of the Bruinsburg site as one of the candidates for the expansion of the United States Strategic Petroleum Reserve.

Anabasis is a group of Mississippians who are geologists, engineers, land professionals, geophysicists, and other technical professionals who have worked on surface storage,

sub-surface storage, surface and sub-surface geology on salt domes, oil and gas fields, marine construction, salt-water disposal well construction, and other technical field data to cavern storage in Mississippi, as well as oil and gas exploration on shore in the United States, off shore in the Gulf of Mexico, both on shore and off shore for more than 25 years. I should say also in numerous places all over the world.

In addition, we have contracted and consulted with the foremost experts from all over the world with experience in salt dome cavern storage in the United States and Germany, as well as legal professionals in our efforts to bring the Bruinsburg site in particular to this location.

Anabasis has done numerous technical environmental studies on the Bruinsburg site and related necessary pipeline routes and other appurtenances needed to construct an environmentally sound, technically feasible, and economically advantageous site for the storage of crude oil for the release in the United States in times of strategic national emergencies. We are convinced that the Bruinsburg site is an excellent site for selection under all criteria released.

We believe that the Bruinsburg site should be selected by the United States Secretary of Energy as one of the expansion sites of the strategic petroleum reserve for No. 1, the benefit of the nation for strategic oil storage; No. 2, as a

benefit to the citizens of Mississippi in contributing to natural energy security and for the positive impact that the construction of a large facility would have on the state's economy; and 3, as a boon to Claiborne County in new construction, increase of property values, and related advantages in Claiborne County in new roads, employment opportunities, and other benefits; and finally, 4, to the citizens of Claiborne County as a boost to the local economy and a boost in the moral fiber of a hard-pressed region of the state and their honest efforts to improve their lives.

I thank you for this consideration.

Mr. Jack Moody

Mississippi Development Authority

Good evening, my name is Jack Moody, and I work for you. I'm with the state Economic Development Authority, which is the agency in state government whose core mission is to develop economic activities in the State of Mississippi for the benefit of the citizens.

My background is I'm a geologist. I'm here tonight with the state's assistant state geologist. That's my background. So we're into a world where I think I have a pretty good understanding.

And we've been on the site of this thing, to one of the offices that MDA has opened -- Development Authority -- as

natural resources. We look at the state's natural resources from the standpoint: Is there an opportunity here for the citizens of Mississippi to take this natural resource and turn it into an economic engine? And that's what we see in this opportunity tonight.

As Mr. Johnson was explaining to you, here we have an opportunity to play into the national defense; we're actually playing into the world scheme of things. Everybody here has ridden the prices of Katrina; right? I mean we went all up and down. Well, that price probably would have been worse if we didn't have the strategic petroleum reserve in place and the international agreements that were talked about.

We've all heard about the world economy, and when something happens over here and we're short on oil, the price is going to jump up everywhere. Well, one of the agreements in the international agreement that was referred to is that there were a number of countries in the world that have a strategic petroleum reserve. And when we got hit like we did in the Gulf of Mexico, they opened up to take the pressure off of the world market to keep the prices as low as they were; though, we looked at them and thought, my goodness, it's looks like a rocket taking off to the moon again. But it would have been worse.

So what's coming to Claiborne County and possibly to one of the other domes in the state is the opportunity that we'll

play in that game. We'll play for our own country based strategic petroleum reserve, again, which was initially conceived when we were cut off from mid-East oil back in 1973.

But since that time we've got this huge infrastructure. We've got a lot of oil there. And all of a sudden there have been, what, thirteen different occasions, I believe, where refineries have gotten in trouble, where they've been interrupted. And had the strategic petroleum reserve not been there -- they turned to the strategic petroleum reserve and said, "We need oil. We're in trouble. Here are the circumstances," and the people that run that system cut a deal with them. And if I'm not mistaken, you get more back than you give out when y'all cut the deal. It's a good deal.

But the citizens of the United States are benefiting. We've got the strategic resource sitting there for our security. Once you have that in place, you realize, well, you can use this to smooth out the markets; and all of us who pay at the gas pumps, it's going to smooth those things out.

So, again, if we were so fortunate as to be chosen by Mr. Johnson's selection committee, y'all are going to be one heck of an energy county. I mean with the nuclear power plant here and the strategic petroleum reserve, it seems like to us this would be a wonderful opportunity. It's a beautiful part of the state; you're on the river.

But as Dave was saying, this is a premiere environmental

facility. I mean the Feds do it right; right? They come in; they got the money; they spend it; they do it right. And so when we have a facility coming in like this, you've got the assurance of the United States Government that, folks, this thing is going to be done right.

So we, the folks that y'all have hired to work for you, look at this as an opportunity for the state to play an additional part in the energy security of the United States. We think it's a great opportunity for the county, and we hope that in the selection process, if Mississippi were chosen -- and, again, right now the reserve is in Louisiana and Texas -- we are certainly trying to do our part to encourage the DOE that we play in this game.

We think that the upland location, out of harm's way for the hurricanes, would be a factor that would be helpful, perhaps, if we had a rerun of Katrina. We hope it won't, but science says for the next ten or fifteen years we're in for a rough ride on hurricanes and then it should calm down again for another twenty years. We go through these cycles.

But, nevertheless, we've got a natural resource: the salt domes. This would be an excellent use. We've got people coming to us in the form of the federal government; if they use it, it will be done right. We certainly hope that that's the case. And I think if Claiborne County were chosen and the Bruinsburg site was chosen, I think it would be a benefit to

the state and to the counties.

Thank you.

Mr. America Middleton

State House of Representatives, District 85

Yes, I'm State Representative America Chuck Middleton; I represent District 85, and the proposed site is inside the district I represent.

I want to thank the Department of Energy and Mr. Johnson. I would also like to thank the governor for his hard work in allowing us to participate in this process. I want to thank the local leadership.

I also want to stress the point that Mississippi is very fortunate; Southwest Mississippi is very fortunate in the terms that we have Senator Trent Lott, who is one of the senior members of the senate. We have Senator Thad Cochran, who is the appropriation chairman, and we have Congressman Benny Thompson that represents this district. These are members and these are friends that we have at the federal level, and I think that we should call on our friends.

And as far as the state level, I look forward to working with the governor to do anything that's possible to make this come to pass for Southwest Mississippi. And I just wanted to make that statement, and we're going to be doing everything that we can to make this happen. We look forward to working

with all who are trying to make this come to pass, and I want to thank you for allowing me to speak this afternoon.

Thank you.

Mr. Murry Stewart

Claiborne County Engineering

My name is Murry Stewart. I'm not an elected official or anything, and I did not even know until today that we even had a salt dome in Claiborne County. But I do want to say that I think it would be an excellent opportunity if Claiborne County could get this facility.

My association with Claiborne County over the last eight or nine years has been in the realm of infrastructure, and I know that this county is a progressive and a forward-looking county, and I know that the county officials here provide excellent county road infrastructure for Claiborne County. I have been associated with a lot of counties over the years during my career, and this county really stresses the importance of keeping up the infrastructure in this county.

You've got Highway 61 here, which will be a four-lane road. It already is a four-lane road up to about the city limits up here. Just 20 miles or 30 miles north of here, you've got I-20. So there's excellent access to this area. And this is a forward-looking county, and I think that this would be a real asset to this state and this county, and I

hope that we can be chosen as the site.

Ms. Marlene Williams

Consul Global Petroleum & Supply

My name is Marlene Williams, and my background is economics. I'm an economist by trade, and I'm representing Consul Global Petroleum, which is across the street from here. And we very, very strongly support your efforts in looking at this part of the state for this project.

We feel that there's a lot of synergism between what you're trying to do and what we're trying to do. The thrust of our organization is economic development for the region, and we believe that there's a lot of, as I said, synergism between our efforts and what you're trying to do.

We believe that, also, there will be a number of complementary industries that will spring up in and around this effort; and this part of Mississippi really does need some high-profile opportunities, something we've not had for a long time. And so we would very much like to be considered beyond the others as the chosen site because it's not just that we understand and, of course, support the national interests in doing something like this, but we feel that for our particular area there are additional benefits for the local citizens, as I said, a high-profile opportunity that will kick start this region and bring the kind of economic

opportunity that other parts of the nation are experiencing through other industries.

And so, again, on behalf of Consul Global Petroleum, we very, very much would like to see this region selected. I do believe -- and some people have already said it -- some of our officials are in support, and you can expect the local industry to support you. You can expect our officials to support you in pulling this thing together and making it happen for our region.

So, again, we support you very strongly.

Thank you.

Mr. Allen Burks

Claiborne County Board of Supervisors

Good evening, my name is Allen Burks. I'm a member of the board of supervisors here in this county. I would also like to thank everyone who is associated with this project and considering Claiborne County to be the site.

I believe that this is an excellent opportunity for the nation as a whole. One of the crises that we have in the United States and, I would say, worldwide, is energy. And most governments today are trying to figure out how to solve that problem.

I think Claiborne County is really fortunate to be involved with this project. I will tell you that the site

that's being considered, you know, I was born and raised just down the road from there. I didn't recognize that that potential existed until this project began to develop.

So I want to say on behalf and as a member of the board of supervisors that we really support this project. And we're going to take some proactive steps to demonstrate our support for this project by doing something similar to what we did for Grand Gulf in our support for that project by putting together a resolution and doing everything that we can do to let you guys know that we really want this project to be here. Southwest Mississippi does need this. It is an economically depressed area, and projects of this magnitude will most definitely help us.

I appreciate the representative Mr. Chuck Middleton for standing up in support of this. The governor, he was absolutely correct in saying that the State of Mississippi is fortunate in having the caliber of elected officials that we have on a federal level. And we should all submit letters and e-mails and comments to those officials to let them know that we support this project and that we're willing to work with them to do whatever we can to make this venture happen. So, again, thank you for coming.

I'll also say that part of my background -- if you want to talk about the safety and will this really work -- I am physicist; I am a chemist and a bunch of other things that I

do also. So it's a safe project. I don't think that there will be any adverse environmental impact because we are looking at the right place to put this thing. So I'm looking forward to this becoming a reality. I'm a very optimistic person.

So, again, what we can do is to get onboard and let our elected officials know on a state level and on a federal level that we support this project.

Thank you.

Mr. James Miller

Claiborne County Board of Supervisors

Good evening. I was reluctant to say anything, but when your boss-man tells you to get up and say something, you've got to go.

But I will say this, I'm saying this from my heart, really, this project is very unique. And I think most of the -- you've heard the old phraseology: Think globally and act locally. So I think what we are at this point in time is at a crossroads in terms of Claiborne County again stepping out front, being on the cutting edge of doing something that will not just affect Claiborne County but will affect this state and this nation. And I think that this whole process is one that we can look forward to as an economic development tool to our community.

The Claiborne County Board of Supervisors, by way of the president, also wanted me to express here tonight -- unfortunately he could not be here because his wife's having surgery. But he wanted me to express his points of view, and he wanted me to say very candidly that the Board of Supervisors will do whatever is necessary to support this project. Claiborne County, it seems to me, will be one of the counties that will hopefully land the Grand Gulf Nuclear Power Plant, which will again speak to the energy needs of our state and our nation. This petroleum reserve will speak also to the energy needs of our state and our nation.

Again, I think Claiborne County will be on the cutting edge of doing something that's very unique, and I think this board will do anything and everything it can to support this project.

My name is James Miller, and I serve as a county administrator for Claiborne County.

(Mr. Johnson closes the meeting after being assured by the audience that there are no further comments.)

CERTIFICATE

I, Rosie Kaiser Hails, Notary Public in and for the County of Adams, State of Mississippi at Large, do hereby certify that there appeared before me the foregoing witness;

That said witness was sworn by me to state the truth, the whole truth and nothing but the truth;

That the testimony was recorded by me, by Stenomask, reduced to typewriting via speech recognition, and proofed under my direct supervision, and the foregoing consecutively numbered pages are a complete and accurate record of the testimony at said time by said witness;

That the undersigned is not of kin nor in any way associated with any of the parties to said cause of action, nor any counsel thereto, and that I am not interested in the event(s) thereof.

IN WITNESS WHEREOF, I have hereunto set my hand and seal, this the 26th day of December, 2005.

ROSIE KAISER HAILS, CVR
CERTIFICATE NO. 1613
CERTIFIED VERBATIM REPORTER/
NOTARY PUBLIC

My commission expires April 19, 2009.